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MINERALS PRO.
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PNC ENTERPRISES, LTD

S/047/034

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October 3, 1993

State of Utah
Division of Oil, Gas & Mining
Dept of Natural Resources
355 West Temple, TRIad Ctr, Suite 350
Salt Lake City, Utah 84180

RECEIVED

OCT 06 1993

DIVISION OF
OIL, GAS & MINING

Re: SMO-NOI

Attn: Mr. Anthony A. Gallegos

Dear Tony:

I am in receipt of your letter concerning the Yerian mine property in Vernal, Utah.

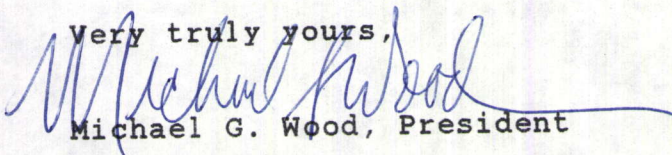
The reason that there has been no completion of the Notice of Intention to Commence Small Mining Operations is because the owner of those claims has not done so. PNC Enterprises agreed to purchase the leases and enter into a mining operation on an installment purchase basis with the owner, Golden Eagle Mines, USA. Mr. Andrew Babiy of Kamloops, Canada is the president of that company and is the only one who could complete those forms.

PNC went to the property in May and June of this year to begin a testing of the equipment with expectation of operating a mine. But, after six weeks of testing and tuning the equipment, we could not approach anything like a profitable mining operation. We therefore never began to actually operate on the property and gave it back to the owner, Golden Eagle Mines.

The leases and equipment are again for sale by Golden Eagle, but I do not know the status of that situation at this time.

I have faxed a copy of this letter and your letter to Mr. Babiy in Kamloops. You can contact him there to resolve this issue. His address is: 1065 Singh St., Kamloops, BC V2B 5E2.

Very truly yours,


Michael G. Wood, President